



MARYLAND STATE BUILDERS ASSOCIATION

204 Duke of Gloucester Street - Annapolis, Maryland 21401

Baltimore & Annapolis (410) 263-0070
Fax (410) 263-0078 katmaloney@verizon.net

October 15, 2010

MEMBER ASSOCIATIONS

EASTERN SHORE BUILDING
INDUSTRY ASSOCIATION

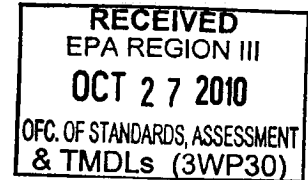
FREDERICK COUNTY BUILDERS
ASSOCIATION

HOME BUILDERS ASSOCIATION
OF MARYLAND

HOME BUILDERS ASSOCIATION
OF WESTERN MARYLAND

MARYLAND NATIONAL CAPITAL
BUILDING INDUSTRY
ASSOCIATION

Robert A. Koroncai
Environmental Manager
Environmental Protection Agency Region III
1650 Arch Street
Philadelphia, PA 19103-2029



Dear Mr. Koroncai:

Achieving the Chesapeake Cleanup goals will be enormously expensive. To have any chance to achieve those goals, we will need to use the most efficient methods available and target the biggest problems – instead using the methods and targets that are most politically correct.

Even the most optimistic estimates for a cleanup plan produce staggering cost estimates. For example, one recent (2004) estimate was for \$28 BILLION - a cost that would be borne largely by States with waterways that drain into the Chesapeake Bay like New York, West Virginia, Pennsylvania and Delaware as well as Maryland and Virginia and Washington, DC that have waterfront lands long the Bay's main stem. No funding has been identified to pay these costs and is difficult to see where the money would come from given competing needs for governmental funds. Given the federal deficit, we cannot depend on federal funds to pick up these costs. Yet dividing the \$28 billion cost estimate by the 17 million people living in the Bay watershed works out to be **\$1,647 per person**.

The only way to have any hope of making progress on that enormously expensive effort is to identify the targets that provide the biggest "bang for the buck." Instead of selecting those which are politically easy. We in the development business believe that too many people think we are contributing far more to Bay problems than the science supports.

Any fair review of the science shows that new construction is not a major contributor to Bay problems. The 5.3 BayShed Model breaks down the pollution contribution sources as:

Nitrogen

- Agriculture (40.9%)
- Wastewater treatment facilities (27.4%)
- Existing urban and suburban development (10.8%)
- Forests (12.2%)
- Septic systems (7.1%)

These sectors account for more than 97% of the total NITROGEN load into the Chesapeake Bay. New construction accounts for just 0.3% of the total NITROGEN sources into the Bay.

Phosphorous

- Agriculture (46.5%)
- Existing urban and suburban development (17.8%)
- Wastewater treatment facilities (24.5%)
- Forests (8.8%)

These sectors account for nearly 98% of the total PHOSPHORUS load into the Chesapeake Bay. New construction accounts for just 1.4% of the total PHOSPHORUS sources into the Bay.

Sediment

- Agriculture (62.7%)
- Existing urban and suburban development (21.0%)
- Forests (11%)

These sectors account for 94.7% of the total SEDIMENT load into the Chesapeake Bay in comparison to new construction, which accounts for just 4.7% of the total SEDIMENT sources into the Bay.

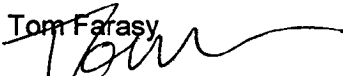
Given these loading estimates, a failure to create meaningful water quality credit trading, incentives and other creative programs involving the agriculture and wastewater treatment sectors will clearly lead to a failure of the cleanup effort. Agriculture activities are exempt from the federal Clean Water Act and the only agricultural practices that are regulated through permitting is concentrated animal feeding operations.

Further, future growth is not given proper analysis in the state's Watershed Implementation Plans. Maryland's plan, for example, relies on purchasing credits from a credit bank that has yet to be established, and fails to provide for the growth that will naturally occur if the State's economic development plans succeed.

Home builders are prepared to play a role and we know we have to do more; but everyone must get in the game, otherwise the past 25 years of deferring the accomplishment of Bay Clean Up will continue. We support:

- Have standards and protocols in place to ensure pollutant reductions are made from ALL sources;
- Broad based revenue programs in place that will fund much needed retrofit projects in urban areas;
- A robust interstate nutrient trading program and localized sediment trading;
- Creating reduction requirements that call for meaningful results from all sectors;
- Private Market programs that create tax credits and program funding; and,
- Allowing the market place to seek creative, cost-efficient solutions, not to be laden with prescriptive remedies, that are untested and lack of a cost/benefit analysis.

What we have at present is a set of Plans with directives and mountains of new regulations. What has not been addressed is a Clean Up Program Initiative that will show how to pay for the end goal of Cleaning Up the Bay by 2025.

Tom Farasy


President, Maryland State Builders Association

cc: Rich Batiuk
Michael Frist